



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

REFERENCE GUIDES

The updated reference guides below were published by the USDE in the month of June. The guides listed are linked with the corresponding electronic announcement with the date of publication.

- [Volume 5 – Withdrawals and the Return of Title IV Funds \[2015-2016 Federal Student Aid Handbook\] – June 2, 2015](#)
- [Errata and Updates – Application and Verification Guide \[2015-2016 Federal Student Aid Handbook\] – June 24, 2015](#)

FEDERAL PERKINS LOAN PROGRAM

The USDE published an [Electronic Announcement](#) June 5, 2015: Federal Perkins Loan Program Questions and Answers Available on IFAP Website. A set of questions and answers about the Federal Perkins Loan Program is available in the “Hot Topics” part of the [Information for Financial Aid Professionals website](#). This information is also available on the [Campus-Based Processing Information Page](#). Questions and answers will be updated periodically and include the date of the update after each answer.

TEACH GRANT CLOSEOUT

An [Electronic Announcement](#) was published by the USDE June 5, 2015: TEACH Grant Closeout Information for 2014-2015 Award Year. The deadline is Wednesday, Sept. 30, 2015, for closeout of the Teacher Education Assistance for College and Higher Education Grant. All school data must be received and accepted by this date, to include requesting funds in G5, for information to be included in a school’s final Ending Cash Balance for the year. Schools should communicate regularly with their third party servicer to ensure closeout is completed timely. Additional instructions and important reminders are given in this announcement.

FEDERAL NEED ANALYSIS

On June 9, 2015, the USDE issued a [Federal Register Notice](#): Federal Need Analysis Methodology for the 2016-2017 Award Year – Correction Notice. The USDE published a correction to the Federal Register Notice dated [May 27, 2015](#) to fix a minor typographical error. The Asset Protection Allowance Chart has been corrected for independent students with dependents other than a spouse used in the Federal Need Analysis Methodology to determine a student’s expected family contribution.



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LOAN SERVICING INFORMATION

The USDE published an [Electronic Announcement](#) June 9, 2015: Loan Servicing Information – Debt Relief Information for Corinthian Students – Briefing Points for Financial Aid Community. This announcement outlines several steps to support students who attended schools owned by Corinthian Colleges Inc. A press release and fact sheet are accessible at <http://www.ed.gov/news/press-releases/fact-sheet-protecting-students-abusive-career-colleges>. Corinthian students should be referred to <https://studentaid.ed.gov/sa/about/announcements/corinthian> for more information on possible debt relief. Students must meet certain criteria to obtain a loan discharge.

SPRING STUDENT LOAN REPAYMENT CAMPAIGN

An [Electronic Announcement](#) was published June 10, 2015: Spring Student Loan Repayment Campaign. Resources are available for financial aid professionals to aid in educating borrowers about affordable repayment options. Tools include plug-and-play resources, infographics, videos, fact sheets and more at FinancialAidToolkit.ed.gov/repayment. Student loan borrowers should be referred to

StudentAid.gov/repay for affordable repayment options.

PROHIBITION ON INCENTIVE COMPENSATION PAYMENTS

On June 10, 2015, the USDE published an [Electronic Announcement](#): Enforcement of the Prohibition on Incentive Compensation Payments. A [Memorandum](#) was issued by Under Secretary Ted Mitchell providing direction to the USDE on how to respond to violations of the incentive compensation prohibition in section 487 (a)(20) of the Higher Education Act. Federal Student Aid will recover funds from institutions that violate the incentive compensation prohibition.

GAINFUL EMPLOYMENT

The USDE published three Electronic Announcements, a Dear Colleague Letter and a Federal Register Notice in June related to Gainful Employment. Links to these and other announcements, the Gainful Employment Information page and the Gainful Employment Resources page on IFAP are as follows:

- [Gainful Employment Electronic Announcement #54 – Certification Requirements for Gainful](#)



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Employment Programs – June 11, 2015

- Gainful Employment Electronic Announcement #55 – Initial Chapters of Updated Gainful Employment Operations Manual Now available – June 15, 2015
- Gainful Employment Electronic Announcement #56 – Updated NSLDS Gainful Employment User Guide – June 30, 2015
- Dear Colleague Letter GEN-15-12: Regulatory Requirements Related to Gainful Employment Programs – June 30, 2015
- Federal Register Notice: Comment Request: Recent Graduates Employment and Earnings Survey Standards and Survey Form – June 30, 2015
- Gainful Employment Information – Dear Colleague Letters and Electronic Announcements
- Gainful Employment Information – Resources
- NSLDS Gainful Employment User Guide (June 2015) – June 30, 2015

TECHNICAL

An Electronic Announcement was published by the USDE June 12, 2015: Availability of Direct Loan Tools for Windows, Release

15.0. This supplemental software product for Direct Loan participants is available for download at <https://fsadownload.ed.gov>. The following DL Tools Release 15.0 user documentation is also available on the FSA download website.

- DL Tools, Release 15.0 Cover Letter (provides information regarding enhancements available in Release 15.0)
- DL Tools, Release 15.0 Installation Guide (provides technical guidance regarding installing and using Release 15.0)
- Volume IV (DL Tools) of the 2015-2016 Common Origination and Disbursement (COD) Technical Reference (includes external import record layouts and other information for system administrators)

STATE AUTHORIZATION

On June 19, 2015, the USDE published Dear Colleague Letter GEN-15-10: State Authorization Regulations Effective Date July 1, 2015. After several delays, the State Authorization regulations will take effect July 1, 2015. This DCL serves as a reminder to institutions of the minimum requirements concerning State oversight and approvals for postsecondary institutions necessary to allow participation in the Title IV Federal



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Student Aid programs. Two basic requirements an institution must meet to be considered legally authorized by the State for Title IV funding eligibility purposes are:

- The State must authorize an institution by name to operate educational programs beyond secondary education. Compliance is determined by the type of institution being authorized.
- With the exception of tribal and Federal institutions, the State must have a process applicable to all institutions to review and appropriately act on complaints concerning the institution, including enforcement of applicable State laws.

NSLDS

The USDE published an [Electronic Announcement](#) June 22, 2015: School Portfolio Report Import Tool. The NSLDS School Portfolio Report Import Tool will allow schools to load data generated from the comma separated values extract version into the Microsoft Excel spreadsheet application. The tool is designed to help schools review and analyze their School Portfolio Report extract files. Information about the data provided and instructions on

how to download this tool is included in the announcement.

DIRECT LOAN PROGRAM CLOSEOUT

An [Electronic Announcement](#) was published by the USDE June 23, 2015: Additional 2013-2014 Direct Loan Program Year Closeout Information. The announcement provides important reminders and outlines school responsibilities related to Direct Loan closeout for the 2013-2014 program year. To be considered successfully closed out, a school must-

- Have an Ending Cash Balance of \$0 and Total Net Unbooked Disbursements of \$0 internally, and as reflected on the School Account Statement, and
- Complete the Balance Confirmation on the [COD website](#).

The deadline for the Direct Loan closeout for the 2013-2014 program year is Friday, July 31, 2015. For more information regarding the Direct Loan closeout process, review the questions and answers provided in the announcement.



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INCOME BASED REPAYMENT

A [Federal Register Notice](#) was issued by the USDE June 23, 2015: Income Based Repayment Notifications – Comment Request. The USDE is requesting comments regarding the expansion of notifications sent to FFELP borrowers who have a partial financial hardship. Comments must be submitted on or before August 24, 2015.

ABILITY TO BENEFIT TESTS

On June 24, 2015, the USDE published an [Electronic Announcement](#): Approved Ability-to-Benefit tests. This announcement outlines which ATB tests are approved, continue to be approved and those no longer approved. Students without a high school diploma or its equivalent, enrolling in an eligible career pathway program or “grandfathered students”, are eligible to take an ATB test for entry into college. Additional information is provided in the announcement with links to Dear Colleague Letters for further guidance.

GEAR UP

A [Federal Register Notice](#) was issued by the USDE June 26, 2015: GEAR UP Applications for Partnership and State Grants – Comment Request. The USDE is requesting comments on a revision of an

existing collection of information. The Gaining Early Awareness and Readiness for Undergraduate Programs is a discretionary grant program encouraging applicants to provide support and maintain commitment to eligible low-income students, including those with disabilities, to assist them in completing secondary school and preparing for postsecondary education. Comments must be submitted on or before July 27, 2015.

VERIFICATION

The USDE issued a [Federal Register Notice](#) June 26, 2015: FAFSA® Information To Be Verified for the 2016-2017 Award Year. The associated Dear Colleague Letter [GEN-15-11](#) published on June 29, 2015 contains clarification and guidance for some of the acceptable documentation requirements. Verification Tracking Groups have also been updated for the 2016-2017 Award Year.

An [Electronic Announcement](#) was published by the USDE June 29, 2015: Revised Document Verification Request G-845 Form. The G-845 form used by Title IV postsecondary institutions to request verification of an applicant’s eligible non-citizenship status from the Department of Homeland Security-United States Citizenship and Immigration Services has



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been revised. Changes made to the form are explained in the announcement. A copy of the revised [G-845 form](#) is attached.

FFELP VARIABLE INTEREST RATES

On June 30, 2015, the USDE published the annual notice of variable interest rates on FFELP Loans made prior to July 1, 2010. The interest rates provided are [Federal Stafford, Federal PLUS, Federal SLS and Federal Consolidation Interest Rate Calculations](#) for the Period July 1, 2015 - June 30, 2016. The attached [PDF](#) version with the charts contains the loan types, disbursement periods and current variable interest rates.